(d) THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) All districts except Betul district have been covered by the Regional Rural Banks (RRBs) in the State of Madhya Pradesh.

(b) and (c) There is no proposal at this stage to set up an RRB in Betul district.

Meeting of 12th Finance Commission

3292. SHRI GHULAM NABI AZAD: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the 12th Finance Commission held a meeting with economists and economic administrators on some of the key issues, in February, 2003;

(b) if so, details of the issues discussed; and

(c) the outcome of the the discussions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) It is the practice of Finance Commissions to elicit views of economists and economic administrators on current issues concerning inter-governmental resource transfers. Some of the issues discussed were the criteria for sharing of resources between the Centre and States, implication of the gap filling approach for giving grants-in-aid, relative merits of alternative methodologies of projections, the criteria for determining transfer of resources to local bodies and the implication of the introduction of VAT at state level. The pros and cons of the Medium Term Fiscal Reform Programme and of conditional versus unconditional grants were some of the other aspects which were deliberated upon.

Tax free bonds of UTI

3293. SHRI LALIT SURI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that UTI has announced 6.75% tax free bonds to US-64 unit holders w.e.f. 1st June, 2003;

(b) whether it is also a fact that US-64 unit holders of 'A' Category

that is holding upto 5000 units are entitled to a repurchase price of Rs. 12/- per unit as on 1st May, 2003; and

(c) if reply to parts (a) & (b) above is in the affirmative, what consideration would be given by UTI to the unit holders of 'A' category for one month of May, 2003, in case they opt for tax-free bonds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) The assured repurchase price of Rs. 12-'- per unit is for units upto 5000, which the investor can receive in cash or through bonds.

Implementation of VAT in Delhi

3294. DR. AKHILESH DAS: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Delhi Government has recommended that the Value Added Tax (VAT) System should not be implemented in Delhi without certain amendments to ensure that it does not destroy the capital city's distributive trading character; and

(b) if so, what specific amendments have been proposed and what shall be the modified form of VAT to be implemented in the capital?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) The Government of India has received no such proposal from the Government of NCT of Delhi.

(b) Does not arise.

Fiscal deficit of States

3295. DR. ARUN KUMAR SARMA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the extent of total Fiscal deficit of the States as well as the Centre during the last five years in per cent of GDP and how these gaps are managed;

(b) the State-wise revenue deficit in the said period;